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July 21, 2010

BY HAND DELIVERY

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

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Office of Proceedings

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Part of
Public Record

Re: Docket No. 42104, *Entergy Arkansas, Inc. and Entergy Services, Inc.*
v. Union Pacific R.R. and Missouri & Northern Arkansas R.R. Co., Inc.:
F.D. No. 32187, *Missouri & Northern Arkansas R.R. – Lease, Acquisition*
and Operation Exemption – Missouri Pacific R.R. and Burlington N. R.R.

Dear Ms. Brown:

Enclosed for filing in the above-referenced proceeding, please find an original and ten (10) copies of Entergy Arkansas, Inc., Entergy Services, Inc. and Arkansas Electric Cooperative Corporation's Reply to Union Pacific's Request for Oral Argument. We have also enclosed an additional copy of the filing to be date-stamped and returned to the bearer of this letter.

Thank you for your attention to this matter.

Sincerely,



Frank J. Pergolizzi
An Attorney for Entergy Arkansas, Inc.
and Entergy Services, Inc.

Enclosures

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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**ENTERGY ARKANSAS, INC. and
ENTERGY SERVICES, INC., Complainants**

v.

Docket No. 42104

**UNION PACIFIC RAILROAD
COMPANY and MISSOURI &
NORTHERN ARKANSAS RAILROAD
COMPANY, INC., and BNSF RAILWAY
COMPANY, Defendants.**

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**MISSOURI & NORTHERN ARKANSAS
R.R. – LEASE, ACQUISITION AND
OPERATION EXEMPTION – MISSOURI
PACIFIC R.R. and BURLINGTON N. R.R.**

Finance Docket No. 32187

**ENTERGY ARKANSAS, INC., ENTERGY SERVICES, INC. and
ARKANSAS ELECTRIC COOPERATIVE CORPORATION's
REPLY TO UNION PACIFIC'S REQUEST FOR ORAL ARGUMENT**

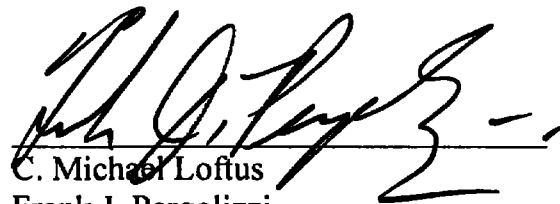
Complainants Entergy Arkansas, Inc. and Entergy Services. Inc.

(collectively "Entergy") and Intervenor Arkansas Electric Cooperative Corporation ("AECC") hereby reply to Union Pacific Railroad Company's ("UP") request that the Board schedule oral argument in this case. In support of its request, UP states that argument is necessary to allow it an opportunity to respond to unspecified "misstatements of fact and fallacious arguments". UP attempts to justify its request by stating that an argument will allow it to efficiently address these issues without the need for delay that might otherwise result if it were to file a motion to strike or unauthorized sur-rebuttal.

Entergy and AECC strongly disagree with UP's unsupported accusations that their rebuttal evidence and arguments contain any misstatements of fact or fallacious arguments. The parties in this proceeding have provided extensive factual evidence and argument on issues that have been clearly joined for some time. Not surprisingly, the parties have different views of the facts and arguments. Entergy and AECC are confident that the Board can sort through these issues based on the evidence of record as established in this proceeding without the need for UP to "clarify" its position through oral argument.

Entergy and AECC also disagree that oral argument is necessary in this proceeding to avoid delay, as UP suggests, and note that argument may, in fact, cause delay. However, Entergy and AECC do not oppose UP's request for oral argument as long as it is properly limited to the current record in this proceeding.

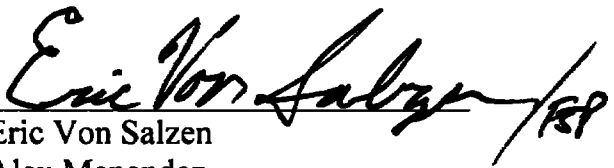
Respectfully submitted,



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*Attorneys for
Entergy Arkansas, Inc. and
Entergy Services, Inc.*

A handwritten signature in black ink, reading "Eric Von Salzen" followed by a stylized flourish that appears to be "MS".

Eric Von Salzen

Alex Menendez

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One Massachusetts Avenue, N.W.

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Attorneys for

Arkansas Electric Cooperative

Corporation

Dated: July 21, 2010

CERTIFICATE OF SERVICE

I, Frank J. Pergolizzi, hereby certify that on this 21st day of July, 2010, I caused copies of Entergy Arkansas, Inc., Entergy Services, Inc. and Arkansas Electric Cooperative Corporation's Reply to Union Pacific's Request for Oral Argument to be served on counsel for the parties of record by email and first class mail.


Frank J. Pergolizzi